



February 14, 2011

Jocelyn G. Boyd, Esquire
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

RE: Public Service Commission Docket No. 1999-434-E/C

Dear Mrs. Boyd:

Pursuant to Regulatory Conditions 25 and 31 established in Docket No. 1999-434-E/C, Progress Energy Carolinas, Inc. files the attached notice.

Yours very truly,

A handwritten signature in black ink that reads 'Len S. Anthony' followed by a stylized monogram or set of initials.

Len S. Anthony
General Counsel
Progress Energy Carolinas, Inc.

LSA:jfc

Attachment

cc: John Flitter

STAREG1398

**PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

DOCKET NO. 1999-434-E/C

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

In the Matter of)	
)	
Progress Energy Carolinas, Inc.'s Notices)	PROGRESS ENERGY
and Information Required by Regulatory)	CAROLINAS, INC.
Conditions 25 and 31)	NOTICES
)	

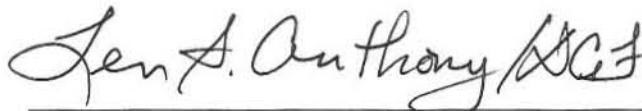
Pursuant to Regulatory Conditions 25 and 31, established in Docket No. 1999-434-E/C, Progress Energy Carolinas, Inc. ("PEC") files the following information with the Public Service Commission of South Carolina ("the Commission").

- 1) Regulatory Condition 25 requires PEC to provide the Commission with ninety (90) days written notice of PEC's intent to pursue any proposed merger, corporate restructuring, business acquisition or sale, or other business combinations involving Progress Energy, Inc., PEC and/or their affiliates. On January 11, 2011 Progress Energy, Inc. signed an agreement with Duke Energy Corporation pursuant to which Duke Energy Corporation will acquire Progress Energy, Inc. On January 20, 2011 in an Allowable Ex Parte Briefing, PEC made a presentation to the Commission advising the Commission of the proposed business combination. This presentation

included a description of the transaction and the benefits to the state of South Carolina. The presentation is reflected in the transcript of the January 20, 2011 Allowable Ex Parte Briefing. Later this year, PEC anticipates filing with the Commission an application for permission to transfer operational control of PEC's generation assets to Duke Energy Carolinas in order to effectuate a joint dispatch of the two systems to serve PEC's and Duke Energy Carolinas' customers.

- 2) Regulatory Condition 31 requires PEC to give the Commission notice of any new subsidiary and/or affiliate. Under the business combination mentioned in paragraph 1 above, PEC will become a subsidiary of Duke Energy Corporation and an affiliate of Duke Energy Carolinas.

PROGRESS ENERGY CAROLINAS, INC.

A handwritten signature in cursive script, reading "Len S. Anthony" followed by a stylized monogram or initials.

Len S. Anthony, General Counsel
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Raleigh, NC 27602
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Email: Len.S.Anthony@pgnmail.com